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Canada

Food – Your best buy



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Your Food Dollar.

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Food — Your best buy

Why do food prices keep rising?
What do you pay for when you buy food?

This publication gives some of the answers, using the latest figures from Statistics Canada at time of going to press. It also suggests ways of getting value for your food dollars, while at the same time providing good nutrition for your family.

The Economics Branch, Food Advisory Division and Information Services of the Canada Department of Agriculture, Ottawa, cooperated in preparing the publication.

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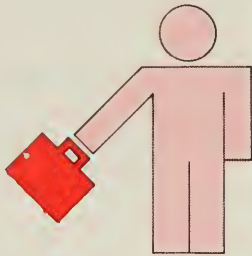
Changes in Consumer Income and Food Prices

Canadians with a limited income are concerned about the rising prices of food but, over the years, the average amount of spending money available to each person has risen much more than food prices.

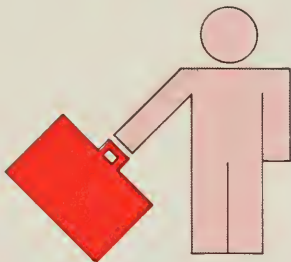
To accurately compare income levels at different times, economists and statisticians use the term “disposable income”. Your disposable income consists of the money you have to spend after deducting items like income tax, pension contributions and unemployment insurance from your pay and adding

Disposable Income

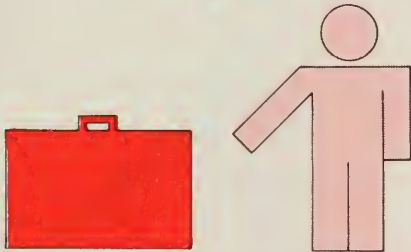
1949/\$921



1959/\$1455



1969/\$2424



1975/\$4734



Cost of a Week's Food for a Family of Four



baby bonuses, old-age pensions and similar income. Food and all other purchases are made out of disposable income.

The average disposable income in Canada today is more than five times what it was 35-40 years ago, rising from \$921 in 1949 to \$4734 in 1975 (the latest year for which statistics are available).

In contrast to income, food prices just slightly more than doubled during the same period; and even by 1977 they were only about two and a half times the 1949 prices. In 1949 it cost about \$20 to buy enough meat, vegetables, fruits, milk, bread and other foods to feed a family of four for 1 week.

The same kinds and quantities of foods cost \$49 in 1977; about 75% of this expenditure was for foods prepared at home and the rest was for food prepared in restaurants and elsewhere.

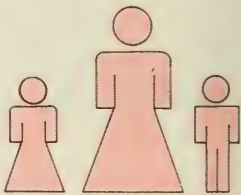
One way to relate consumer income and food prices is to compare the number of hours worked today with the number worked in past years to buy a certain quantity of food, that is, the same amount of food at different prices. In 1949, it took 20 hours' wages to buy a week's supply of food for a family of four, but by 1977 only 8 hours

of work were required to obtain the same amount of food. In other words, even though food prices were higher in 1977 than in previous years, it took less than half as long as in 1949 to earn enough money to buy the food for the family.*

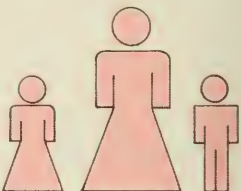
* Average manufacturing wages.

**Number of Hours Worked to Buy
Food for a Family of Four
for One Week**

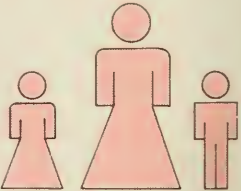
1949
20 Hours



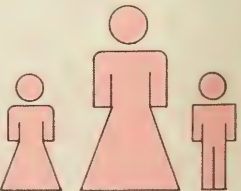
1959
14 Hours



1969
11 Hours



1976
8 Hours



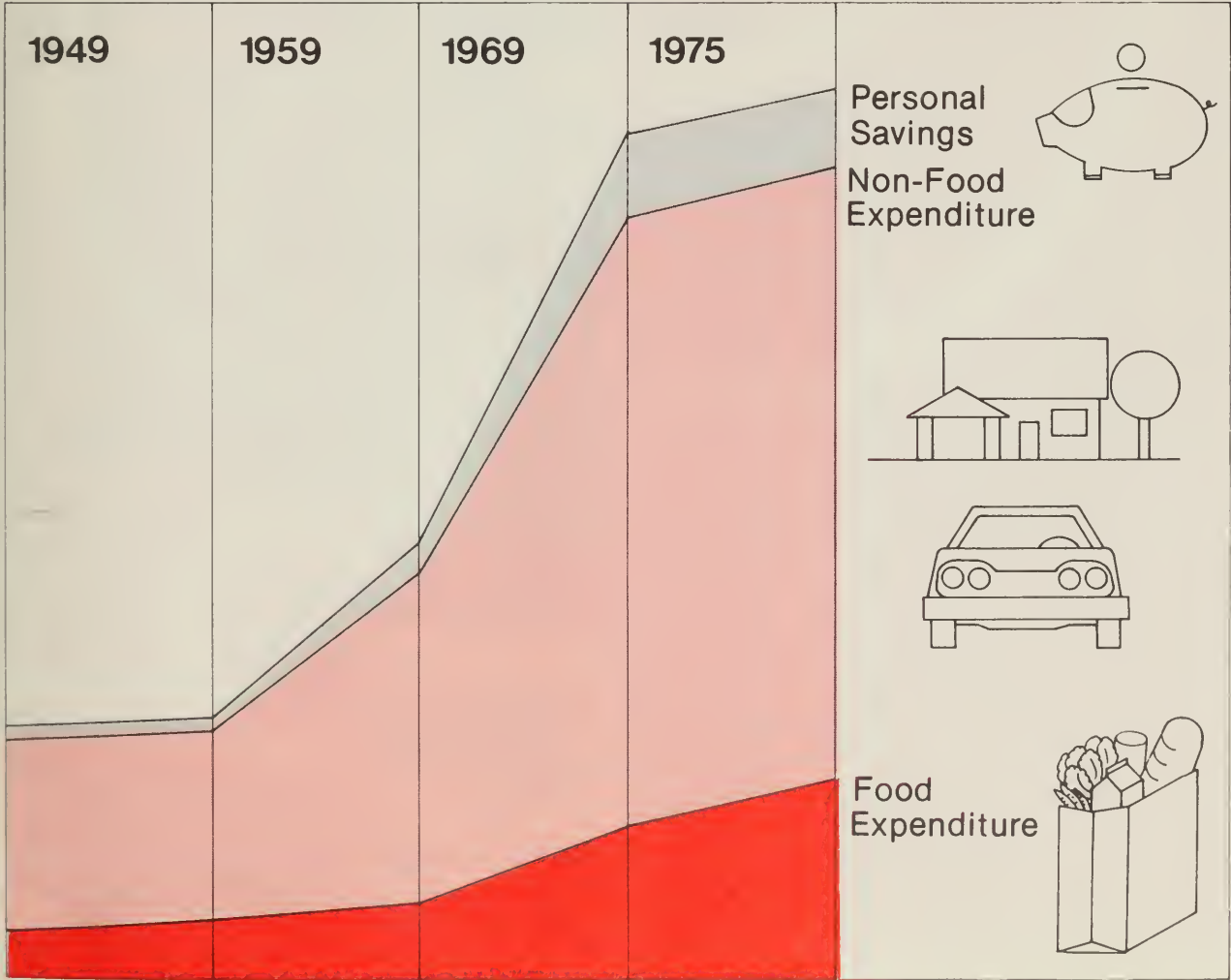
Spending Disposable Income

Like most consumers, you have probably found that the more income you have the more you spend on food — not necessarily because you buy more food but because you buy more expensive kinds of food, such as tender steaks, greens and berries out of season, and convenience foods requiring little home preparation. However, even with greater expenditures and higher prices for food, the proportion of average disposable income that is spent on food today in retail stores (excluding non-food items) is smaller than ever.

In 1975, for example, only about 18% of disposable income was used to buy food; this was at least 6% less than in 1949. Also, between 1949 and 1975, the amount of disposable income put into personal savings or spent on non-food items, such as cars, houses, books, entertainment, travel, clothing and other things, increased from 76% to 82%.

To express this in dollars, the money spent on food rose from \$220 per person per year in 1949 to \$865 in 1975. But non-food expenditures increased by more than five

Spending Disposable Income



Marketing System

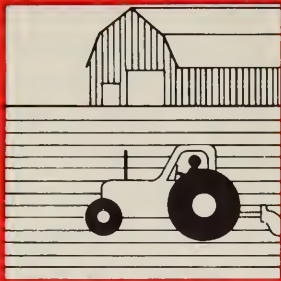
times, from \$629 to \$3384, during the same period; and personal savings went from \$72 to \$485 (almost seven times as much) per person per year.

Consumers don't usually buy foods directly from farmers, but from retail stores. Milk products, meat, eggs, cereals, fruits, vegetables and other foods move from the farms to your table through the hands of many business firms, which together make up the marketing system.

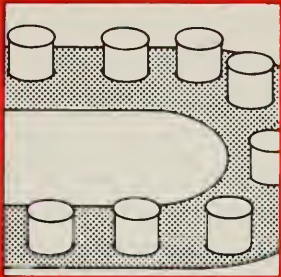
This marketing system employs many people and is built on the basis of the demands made by consumers for a variety of services. Each firm's service adds something to, takes something from, transports, or provides information on foods. Jobs such as food processing, grading, packing, transportation, wholesaling, advertising, market reporting and retailing are all parts of the marketing system; and all add to the cost of getting foods from the farmer to you.

Marketing firms' costs have greatly increased for labor, transportation, supplies, construction, utilities, taxes and so on. These costs would have risen even more, were it not for the increased productivity of labor — the largest single element of marketing cost — and other improvements, such as greater use of supermarkets and self-service stores, that have taken place in food marketing.

Farm



Manufacturer



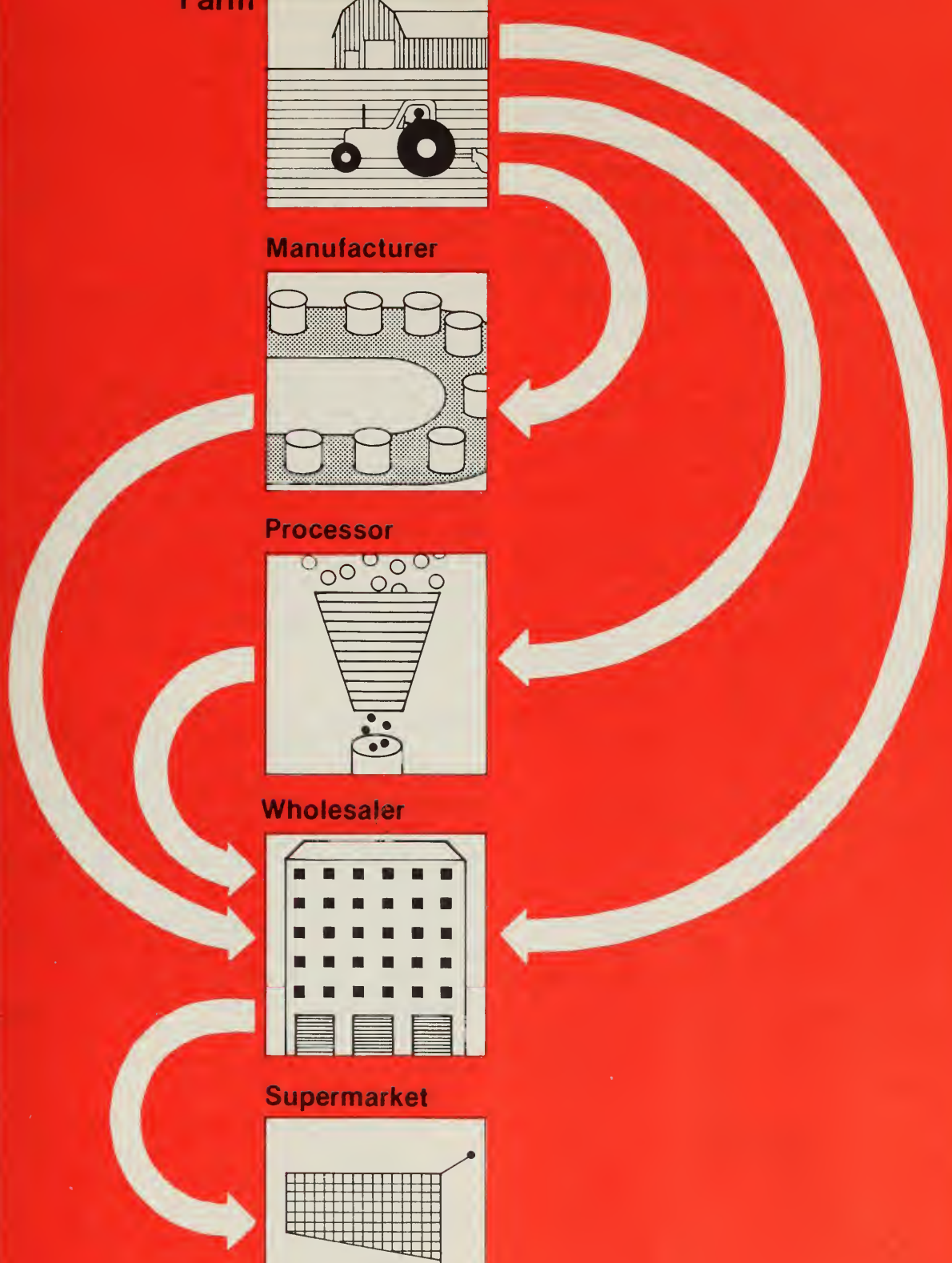
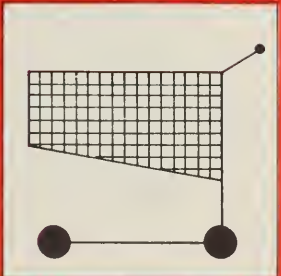
Processor



Wholesaler



Supermarket



Where does your food dollar go?

The money that you pay for food is income to farmers or producers and to the business firms that make up the marketing system. Since the business or marketing firms include their marketing costs (for processing, wholesaling, retailing and other services) in the price you pay for the food, their share of your food dollar covers these expenses. Much of the farmers' returns, of course, go toward paying their costs of producing the food.

Though the total amount of money you and other consumers have spent on food has greatly increased since 1949, the farmers' income has not increased proportionately. Of the \$2.1 billion that consumers spent for Canadian food in 1949, farmers received 1.2 billion, or 57% of the receipts; but in 1975, when consumers spent \$15.6 billion for food, farmers received \$4.3 billion, or only 27.6% of the receipts. During this period, the marketing firms' share of the income from food sales increased by more than 10 times, from \$0.9 to \$9.4 billion.

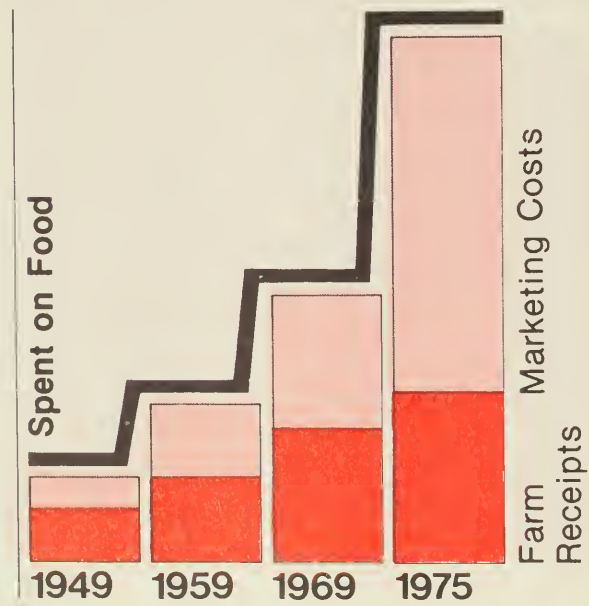
Food prices and farmers' returns

Many hundreds of thousands of farmers are producing food for your table. They compete against each other, selling food usually at very reasonable prices. As competition increases and the market price of their food goes down, farmers may try to produce more food to increase their incomes. In this way, many new skills and techniques are developed and farm practices, technology and efficiency are improved.

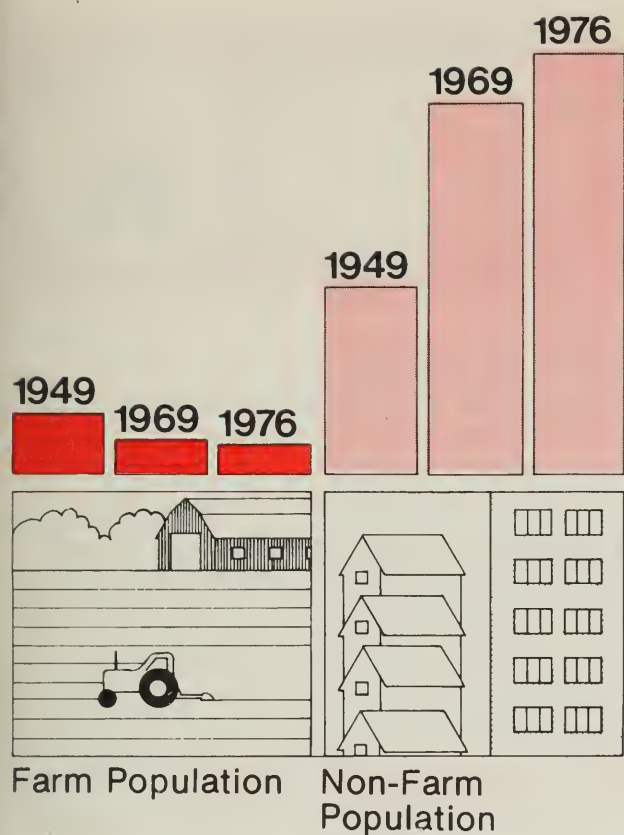
According to economists who have studied farm costs and returns, consumers actually gain more from these improvements than producers do. This is because other farmers quickly adopt each new method of production, which again increases the amount of food available and consequently lowers the prices the farmers get for their products.

Where Does Your Food Dollar Go?

The quantity of food marketed in Canada in 1976 was almost double that of 1949. This was partly because the population increased from 13.4 to 23 million people during the period. Also 1.6 million farm people who had produced much of their own food moved to towns and cities and started buying marketed food.



Changes in eating habits



The farm population decreased from about 4 million to 1.4 million during the 28-year period. Yet, because of the great advancement in agricultural production, 1976's smaller number of farmers produced over nearly twice as much food as was produced in 1949.

Farm food-production costs tripled between 1949 and 1976; and there are many other reasons for higher food prices today than in past years — extra services, packaging, new sales devices, promotion, higher wages and energy costs, and inflation. However, it is clear that farmers do not gain substantially from the increased prices, since their portion of your food dollar continues to diminish.

The eating habits of Canadians have changed considerably since 1949. For example, more meat, poultry, vegetables and fruits are consumed today than 20-30 years ago but less cereal products, butter and fluid whole milk. The changes in consumption of these products between 1949 and 1976 are shown in the following table:

	pounds per person			
	1949	1959	1969	1976
Meat	134	141	156	170
Poultry	19	30	43	46
Eggs	29	35	33	29
Fluid whole milk	392	356	287	267
Butter	22	18	16	14
Cereals	169	151	148	140
Vegetables	127	162	163	192
Fruits	133	191	191	195

The tastes of most consumers have become more expensive. Foods such as meat, fruits and vegetables cost more, for example, than cereals, considering the amount of energy they produce. However, these foods have improved the nutritive value of our diet and have made everyday meals more varied, appealing and healthful.

Getting value for your food dollars

Good meals that are easy on the budget do not just happen — they are the result of careful planning and a knowledge of the food being purchased.

Plan Ahead

Advance planning of meals makes the best use of time, energy and money.

- *Plan the week's menus.* Calculate the number of servings of meat, fish and poultry to buy. Include eggs and cheese to help stretch your meat dollar. Keep in mind foods that supply nutrients needed by the body, as listed in Canada's Food Guide.* Include foods that are plentiful and lower priced than usual.
- *Check weekly food advertisements to help determine the best buys.* Compare prices for various grades and brands of foods.
- *Make a shopping list and stick to it.* List the foods needed for the week's menus and the staples needed for the next week. Plan to buy only the amount of food that can be stored properly. Usually, but not always, the larger package is the better buy. To save time and steps, arrange your shopping list according to the layout of the store where you usually shop.
- *Read food labels and understand what they mean.* Know can and package sizes and grade markings.
- *Keep a record of money spent on food and set up a budget.* Remember, the food budget does not include the many non-food items available in the grocery store.



Select for Quality

Many food products in retail stores are sold by grade.** These grades are uniform guides established on the basis of quality by federal and provincial legislation. Grade names such as Canada Fancy and Canada No. 1, appearing on a container or product, mean that the food has been graded according to federal standards which are enforced by Canada Department of Agriculture inspectors. The federal grades apply to foods shipped from one province to another, as well as to food exports and imported foods of a kind produced in Canada. The following foods are graded: butter, cheddar cheese, skim milk powder, meat, poultry, eggs, fresh, canned, dried and frozen fruits and vegetables, honey and maple syrup.

** For information on the grades of food products, write to Information Services, Canada Department of Agriculture, Ottawa, Ontario K1A 0C7.

* For nutrition information and copies of Canada's Food Guide, write to your provincial department of health.

Brand names are often helpful in selecting quality. Some processing firms use one brand name on their best quality products and another on those of lower quality. Also, some stores have their own private brand of products, which they sometimes offer at near wholesale prices to keep regular customers and attract new ones. It pays to compare prices on different brands carrying the same grade name.

Top quality at top price may be a good buy for some purposes; lower quality at a lower price can be an equally good buy for others. Suit the grade to the use. For example, in casserole dishes, Canada Choice or Canada Standard grade vegetables may be as satisfactory as Canada Fancy grade, though less perfect in appearance.

Appearance counts considerably in the selection of quality foods. Know what foods should look like when they are at peak quality. A dried-up cabbage is no bargain in food value, and spotted fruit must be used up quickly or it will spoil. Badly dented, bulging and rusted canned goods may not be a wise buy as the food inside may be

spoiled. Similarly, frozen foods in worn, icy or thickly frosted packages may not be of the best quality because of poor handling or storing.

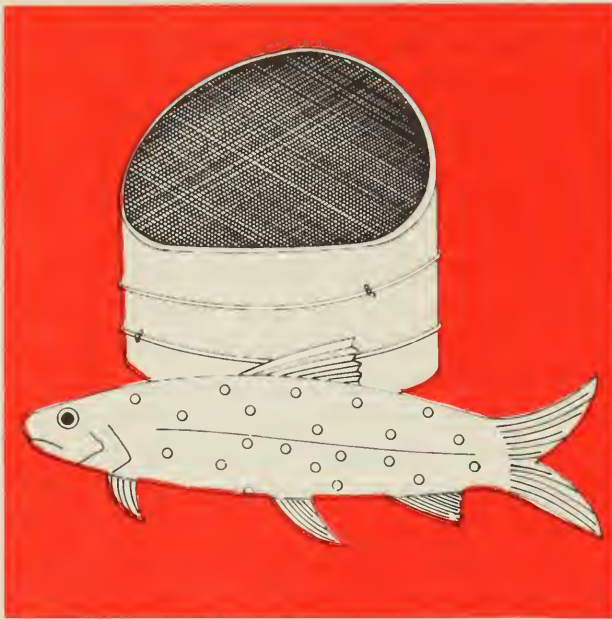
Read the Label

The label on a food product is the 'window' to the product. A food label is required to give these facts:

- The *name* of the *product* clearly and conspicuously shown. A *description* of the way in which the product is packed may be noted, for example, sliced canned peaches or diced beets.
- The *name* and *address* of the *packer* or *distributor*, together with the *brand name*.
- The *grade mark*, if a grade standard applies to the product, for example, Canada Choice canned peas or Canada No. 1 potatoes.
- The net *weight* and / or *volume* of the contents of the container or package. The drained weight of graded foods does not appear on the label but is specified by federal regulations, to ensure that cans of the same size contain the same weight of each particular product.
- A *list of ingredients* in descending order of their proportions in the product if there is no government standard established. Any food additives, such as vitamins, must be mentioned on the label, for example, vitamin C in vitaminized apple juice.

Other information that may be noted on the label includes storage instructions, directions or recipes for use, number of servings and expiry date for using the product.





Shop Wisely

Meat, Fish and Poultry

Compare cuts of meat by the number of servings of cooked meat they provide as well as by their price per pound. Note the amount of bone in a cut, as it reduces the number of servings. Use this chart as a guide when buying meat:

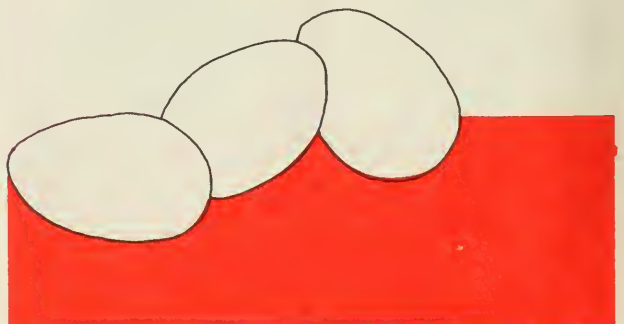
	Number of servings per pound
Roast — boneless	3 to 4
— bone-in	2 to 3
Steaks and chops	2 to 3
Stew meat — boneless	3
— bone-in	2
Ground meat	3 to 4
Cold cuts	8
Liver, kidney and heart	3 to 4
Chicken and turkey	1 to 1½
Duck	1
Fish — whole	1
— pan-dressed	2
— steaks	2 to 3
— fillets	3 to 4

Ground meat is sold under three names according to fat content. *Regular* ground beef contains 30% fat or less, *medium* contains 23% or less and *lean* contains 17% or less. Fresh sausage meat must not contain more than 40% fat and 4% cereal filler.

Price of meat is no indication of food value; less expensive cuts are just as nourishing as those that cost more. Meat prices vary because of supply and seasonal demands. For example, prices of steaks and hamburger may be higher than usual in barbecuing season because of increased consumer demand; or they may be lower if stores are featuring these cuts in special sales to attract customers.

Eggs

Two eggs may be used to replace one serving of meat. The grade of an egg depends on its quality, not its size. However, prices of grades A1 and A eggs vary according to sizes based on individual egg weights of at least 2-1/4 ounces for Extra Large, 2 ounces for Large, 1-3/4 for Medium, 1-1/2 ounces for Small and not more than 1-1/2 ounces for Peewee.



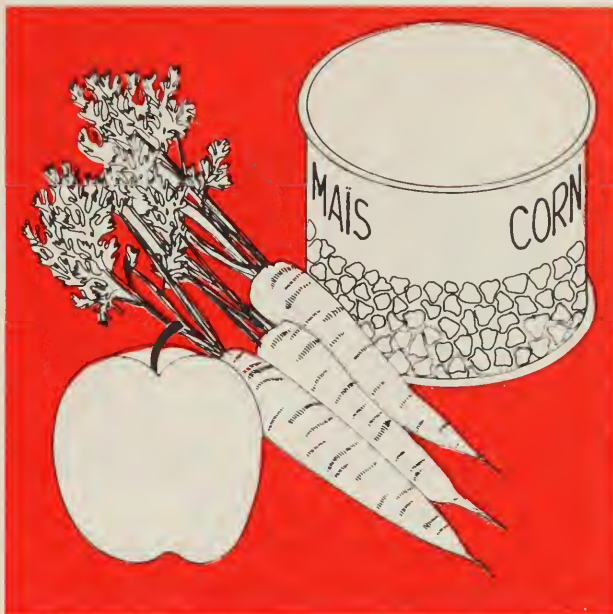


Dairy Products

Prices of milk and cream are based largely on fat content, whipping cream being the most expensive and skim milk the cheapest. Skim milk powder and evaporated whole milk are lower priced and do not require refrigeration.

For most families, large cartons or jugs of fresh milk are a better buy than 1 litre containers. Buying milk in a store is usually less expensive than home delivery. You may wish to make partly skimmed milk at home by mixing equal quantities of reconstituted skim milk and whole milk.

Cheese usually costs less per pound in large packages than in small ones. Added ingredients, such as herbs or fruit in cream cheese and cottage cheese, increase their cost. Check price differences between natural cheeses, such as cheddar and cottage, and processed cheese products.



Fruits and Vegetables

Prices of fresh fruits and vegetables vary with the season. They are usually lowest in the summer months, when fresh Canadian produce is most plentiful. Canned and frozen fruits and vegetables are available the year round and it is useful to compare their prices with those of fresh products before making a selection. If possible, compare price according to the cost per serving (see table below).

	Number of 125 mL servings
284 mL (10-ounce) can green beans	2 - 3
398 mL (14-ounce) can green beans	3 - 4
540 mL (19-ounce) can green beans	5
454 g (1 pound) fresh green beans	5 - 6
283 g (10-ounce) package frozen green beans	4
908 g (2-pound) package frozen green beans	13

The addition of ingredients such as seasonings or sauces to canned or frozen vegetables usually increases the cost of the product.

Dried beans stretch the food budget. They may be combined with a small portion of meat, such as wieners, and served as a meat alternate.

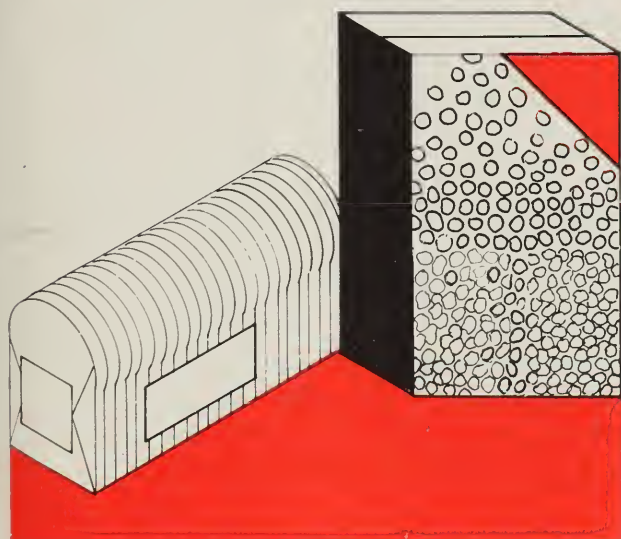
Everyone should be aware of the differences in the wide variety of fruit beverages available today. Juices are the natural juice from the particular fruit named. Since orange juice and tomato juice normally contain sufficient natural amounts of vitamin C, this vitamin is not added. Apple juice and grape juice, on the other hand, may contain added vitamin C. Manufactured fruit drinks and ades may be mostly water and sugar, with artificial coloring and flavoring added. Nectars normally contain water with fruit juice and pulp added in varying amounts. A complete list of ingredients must appear on all labels and if vitamin C is added, this must be indicated.

Bread and Cereals

Good nutritional value can be obtained for money spent on whole grain cereals such as cracked wheat and rolled oats. Refined cereals, which include white-colored farina and most ready-to-eat cereals, may be enriched with thiamin, riboflavin, niacin and iron. Before buying refined breakfast cereals, carefully check the labels for food value, weight and cost. Usually, the more a cereal is processed, the more it costs.

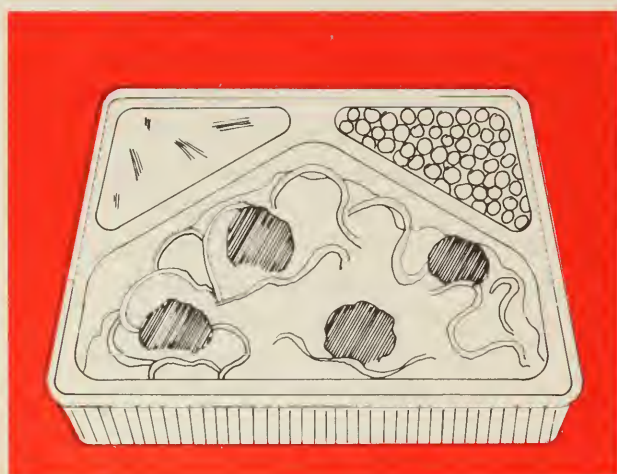
White bread enriched with thiamin, riboflavin, niacin and iron has about the same nutritive value as whole wheat bread. Large loaves of bread often are a better buy than small ones. The type of wrapping may add to the cost of the bread.

Specialty breads, such as fruit, cheese and cinnamon, usually demand a higher price than white or whole wheat bread.



Fats and Oils

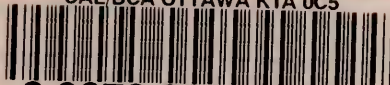
Several kinds of fats and oils are found in food stores. Butter is made from the fat of milk or cream, and is usually salted and colored. Margarine is a mixture of animal or vegetable fats, water and milk solids and, usually, added coloring, preservatives and vitamins A and D (which occur naturally in butter). Salad and cooking oils are either unrefined oils such as olive oil, or refined vegetable oils such as corn, cotton, peanut, soybean or rapeseed oils. Shortening is a solid fat usually prepared by processing (hydrogenating) a combination of fats and oils. Lard is made from pork fat. Butter, favored for its flavor, usually commands a higher price than other solid fats. Prices of margarine, oils, shortening and lard vary greatly with different brands.



Convenience Foods

Any food that has undergone some of the preparation ordinarily done at home can be called a convenience food. The term includes such diverse items as frozen individual meals, cookies, instant coffee, soup mixes, pastry mixes, dehydrated potatoes, canned stew and cut-up chicken. The desire to save time and effort in the kitchen, and ever-changing tastes in food, have created a demand for more and more convenience foods. Each consumer should decide if the added cost and differences in flavor and appearance are worth it. Matching quality, price and use of a food efficiently is no simple matter. It pays to be as well informed as possible on all aspects of food buying to ensure that you get the best value for your food dollar.

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